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JAN 12 2011

OFFICE OF PETITIONS

In re Patent No. 6,749,702	:	
Issue Date: June 15, 2004	:	DECISION ON PETITION
Application No. 09/010,822	:	
Filed: January 22, 1998	:	
Attorney Docket No. 13332/16	:	

This is a decision in response to the petition under 37 CFR 1.378(b), filed on August 19, 2010, to accept the delayed payment of the maintenance fee for the above-identified patent.

The petition is **dismissed**.

If reconsideration of this decision is desired, a petition for reconsideration under 37 CFR 1.378(e) must be filed within TWO (2) MONTHS from the mail date of this decision. No extension of this two-month time limit can be granted under 37 CFR 1.136(a) or (b). Any such petition for reconsideration must be accompanied by the petition fee of \$400.00 as set forth in 37 CFR 1.17(f). The petition for reconsideration should include an exhaustive attempt to provide the lacking item(s) noted below because the Director will not undertake any further reconsideration or review of the matter after a decision on the petition for reconsideration.

The patent issued on June 15, 2004. The maintenance fee could have been paid during the period from June 15, 2007 through Monday, December 17, 2007 or with a surcharge during the period from Tuesday, December 18, 2007 through Monday, June 16, 2008. Accordingly, this patent expired on June 16, 2008, for failure to timely remit the maintenance fee.

Petitioners stated that they were informed in a letter from Kenyon & Kenyon LLP dated January 18, 2006, patentee's outside counsel, that Kenyon would cease handling the monitoring and payment of the maintenance fees for patentee's patents. Petitioners indicated that Computer Patent Annuities (hereinafter "CPA") indicated in a letter to patentee dated May 12, 2006, that CPA would assume

responsibility for monitoring and payment of the maintenance fee for patentee's patents starting on June 1, 2006. Petitioners stated that the letter indicated that next correspondence from CPA to patentee would be in the form of a renewal notice when the first maintenance fee for one of the patents became due. Petitioners asserted that it was their understanding that all correspondence from CPA would be directed to Daniel V. Haun, VP Engineering and Research of Nammo Talley Inc. (patentee). Petitioners contended that they were unaware of receiving any further correspondence from CPA until an email exchange between Ms. Sallie Winkler, a Service Account Manager for CPA, and Mr. Haun on December 1, 2008. The emails concerned the change of status from a small entity to a large entity, but not regarding payment of the maintenance fee. Petitioners asserted that they were not aware of any missed maintenance fee payments or expiration of any patents until they received a letter from Kenyon & Kenyon on June 29, 2010, accompanied by a copy of the Notice of Patent Expiration.

A grantable petition to accept a delayed maintenance fee payment under 37 CFR 1.378(b) must include the following:

(1) the required maintenance fee set forth in § 1.20(e) through (g);

(2) the surcharge set forth in § 1.20(i)(1); and

(3) a showing that the delay was unavoidable since reasonable care was taken to ensure that the maintenance fee would be paid timely and that the petition was filed promptly after the patentee was notified of, or otherwise became aware of, the expiration of the patent. The showing must enumerate the steps taken to ensure timely payment of the maintenance fee, the date and the manner in which patentee became aware of the expiration of the patent, and the steps taken to file the petition promptly.

This petition lacks requirement (3).

Acceptance of a late maintenance fee under the unavoidable delay standard is considered under the same standard for reviving an abandoned application under 35 U.S.C. § 133. This is a very stringent standard. Decisions on reviving abandoned applications on the basis of "unavoidable" delay have adopted the reasonably prudent person standard in determining if the delay was unavoidable:

The word unavoidable' . . . is applicable to ordinary human affairs, and requires no more or greater care or diligence than is generally used and observed by prudent and careful men in relation to their most important business. It permits them in the exercise of this care to rely upon the ordinary and trustworthy agencies of mail and telegraph, worthy and reliable employees, and such other means and instrumentalities as are usually employed in such important business. If unexpectedly, or through the unforeseen fault or imperfection of these agencies and instrumentalities, there occurs a failure, it may properly be said to be unavoidable, all other conditions of promptness in its rectification being present. In re Mattullath, 38 App. D.C. 497, 514-15 (1912) (quoting Ex parte Pratt, 1887 Dec. Comm'r Pat. 31, 32-33 (1887)); see also Winkler v. Ladd, 221 F. Supp. 550, 552, 138 USPQ 666, 667-68 (D.D.C. 1963), aff'd, 143 USPQ 172 (D.C. Cir. 1963); Ex parte Henrich, 1913 Dec. Comm'r Pat. 139, 141 (1913).

In addition, decisions on revival are made on a “case-by-case basis, taking all the facts and circumstances into account.” Smith v. Mossinghoff, 671 F.2d 533, 538, 213 USPQ 977, 982 (D.C. Cir. 1982). Finally, a petition cannot be granted where a petitioner has failed to meet his or her burden of establishing that the delay was “unavoidable.” Haines v. Quigg, 673 F. Supp. 314, 316-17, 5 USPQ2d 1130, 1131-32 (N.D. Ind. 1987).

In determining whether the delay in paying a maintenance fee was unavoidable, one looks to whether the party responsible for payment of the maintenance fee exercised the due care of a reasonably prudent person. Ray v. Lehman, 55 F.3d 606, 608-609, 34 USPQ2d 1786, 1787 (Fed. Cir. 1995). The patent owner at the time of the expiration of the patent is ultimately the person responsible to ensure the timely payment of the maintenance fees. The patent owner may engage another to track and/or pay the maintenance fees; however, merely engaging another does not relieve the patent owner from his or her obligation to take appropriate steps to ensure the timely payment of such maintenance fees. Additionally, a patentee’s lack of knowledge of the need to pay the maintenance fee does not constitute unavoidable delay. See In re Patent No. 4,409,763, 7 USPQ2d 1798 (Comm’r Pat. 1988), aff’d Rydeen v. Quigg, 748 F. Supp. 900, 16 USPQ2d 1876 (D.D.C. 1990); aff’d without opinion (Rule 36), 937 F.2d 623 (Fed. Cir. 1991), cert. denied, 60 U.S.L.W. 3520 (January 27, 1992).

Assuming, *arguendo*, that petitioners were justified in relying on CPA to pay the maintenance fee, such reliance *per se* does not provide petitioner with a showing of unavoidable delay within the meaning of 37 CFR 1.378(b) and 35 U.S.C. § 41(c). California Medical Products v. Technol. Med. Prod., 921 F.Supp. 1219, 1259 (D. Del. 1995). Rather, such reliance merely shifts the focus of the inquiry from petitioners to whether CPA acted reasonably and prudently. Nevertheless, petitioners are bound by any errors that may have been committed by CPA. Petitioners are reminded that the United States Patent and Trademark Office must rely on the actions or inactions of duly authorized and voluntarily chosen representatives of the petitioners, and petitioners are bound by the consequences of those actions or inactions. Link v. Wabash, 370 U.S. 626, 633-34 (1962). Specifically, petitioners’ delay caused by the mistakes or negligence of their voluntarily chosen representative does not constitute unavoidable delay within the meaning of 35 U.S.C. § 133. Haines v. Quigg, 673 F. Supp. at 317; Smith v. Diamond, 209 USPQ 1091 (D.D.C. 1981); Potter v. Dann, 201 USPQ 574 (D.D.C. 1978).

The record does not show that petitioners monitored the performance of CPA pursuant to petitioners’ belief that CPA would pay the maintenance fee. Further, petitioners failed to demonstrate that they diligently inquired with CPA or the USPTO into the status of the patent and maintenance fee payment. Petitioners’ inaction does not reflect the due care and diligence exercised by a prudent and careful person with respect to his or her most important business, and as such, does not demonstrate unavoidable delay. Rather, a prudent person would have taken actions to ensure that the services of CPA were timely performed as specified.

Additionally, petitioners did not provide any statements from persons from CPA, who have first-hand knowledge of the details, regarding the circumstances of the delay in payment of the maintenance fee. There is no explanation by CPA as to why the renewal notice was not sent to Mr. Haun. Furthermore, petitioners did not submit records from CPA showing that the maintenance fee due date was entered into a docketing system and that they were tracking the maintenance fee. Any request for

reconsideration should be accompanied by copies of correspondence between CPA and petitioner regarding which party bore the obligation for tracking and paying the maintenance fee. If petitioners can show, by supporting documentation that CPA assumed the obligation, then petitioners must demonstrate that CPA entered the patent in a reliable system for monitoring maintenance fee payments. Petitioners should submit statements from CPA fully explaining the tracking system, the identity and qualifications of any support staff that managed the system and the checks in place to ensure that the maintenance fee was timely paid. Additionally, petitioners should show that it diligently inquired with CPA as to the status of the patent and when the maintenance was due. Lastly, petitioners must provide a thorough explanation by persons with firsthand knowledge of the events, as well as any documentary evidence, as to errors or events that occurred, which prevented the timely payment of the maintenance fee.

In summary, the showing of record is inadequate to establish unavoidable delay. As petitioners have not shown that it exercised the standard of care observed by a reasonable person in the conduct of its most important business, the petition is **dismissed**.

Petitioner should note that if this petition is not renewed, or if renewed and not granted, then the maintenance fee and post-expiration surcharge are refundable. The \$400.00 petition fee for seeking further reconsideration is not refundable. Any request for refund should be in writing to the following address:

Mail Stop 16
Director of the US Patent and Trademark Office
PO Box 1450
Alexandria, VA 22313-1450

A copy of this decision should accompany petitioners' request.

Further correspondence with respect to this matter should be addressed as follows:

By mail: Mail Stop Petition
 Commissioner for Patents
 P.O. Box 1450
 Alexandria, VA 22313-1450

By FAX: (571) 273-8300
 Attn: Office of Petitions

By hand: Customer Services Window
 Randolph Building
 401 Dulany Street
 Alexandria, VA 22314

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Telephone inquiries should be directed to the undersigned at 571-272-3211.

A handwritten signature in black ink, reading "C. T. Donnell". The signature is written in a cursive, flowing style.

Christina Tartera Donnell
Senior Petitions Attorney
Office of Petitions